

Message Text

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ACTION AID-59

INFO OCT-01 EA-11 ISO-00 EB-11 AGR-20 SS-20 L-03 H-03

NSC-10 IO-14 CIAE-00 DODE-00 INR-10 NSAE-00 PA-04

RSC-01 USIA-15 PRS-01 SPC-03 IGA-02 COME-00 OMB-01

TRSE-00 DRC-01 /190 W

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R 251125Z OCT 73

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC 7701

INFO AMEMBASSY PHNOM PENH

C O N F I D E N T I A L BANGKOK 16636

E.O. 11652: GDS

TAGS: EAID, EAGR, CB, TH, VN, KS

SUBJECT: RICE FOR CAMBODIA: DELAYS IN SHIPMENT - A TALE OF
FRUSTRATION

REF: STATE 203322

1. SUMMARY. DESPITE TIMELY AND REPEATED INVOLVEMENT OF HIGHEST
EMBASSY OFFICIALS INCLUDING AMBASSADOR, A COMBINATION OF INTERNAL
RICE PROBLEMS IN THAILAND, RTG BUREAUCRATIC RIVALRY, SLOW
RTG DECISION PROCESS AND FINALLY A TYPHOON WITH SUBSEQUENT DISTUR-
BANCE OF ALL SHIPPING IN AREA, DELAYED THAI RICE ARRIVAL IN CAMBODIA
UNTIL PRESENT TIME. END SUMMARY.

2. IN LIGHT OF CURRENT STATE OF DELIVERIES OF THAI RICE TO CAMBODIA,
AND WASHINGTON'S APPARENTLY FIRM DECISION TO BUY NO MORE RICE FROM
THAILAND, EMBASSY QUESTIONS UTILITY OF RECONSTRUCTING STORY OF
"WHAT WENT WRONG" IN TIME SCHEDULE FOR DELIVERY OF THAI RICE.
HOWEVER, FOR THE RECORD THE SEQUENCE OF EVENTS IN THE PARAGRAPHS
BELOW HAS BEEN TAKEN FROM EMBASSY FILES AS INDICATED IN THE SOURCE
CITATIONS.

3. BACKGROUND FOR DELAYS IN THAI DECISION TO SELL AND SHIP RICE TO
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CAMBODIA IS THAILAND'S OWN RICE CRISIS REPORTED IN BANGKOK 11766.

RICE LIBERALLY DISAPPEARED FROM MARKET WHEN RTG FIXED PADDY PRICE THAT ALLEGEDLY CAUSED MERCHANTS TO SELL RICE TO PUBLIC AT A LOSS. COMMERCE MINISTER WAS SHARPLY CRITICIZED IN PRESS, AND BUREAU OF INSPECTION AND FOLLOW-UP GOVT OPERATIONS WAS GIVEN ARTICLE 17 POWERS, INCLUDING RIGHT TO ORDER SUMMARY EXECUTIONS OF MERCHANTS WHO HOARDED RICE.

4. ON THE SAME DAY AS EMBASSY REPORTED THAI RICE CRISIS, LON NOL SENT LETTER TO THANOM REQUESTING SALE OF 25,000 MT OF RICE. LON NOL REQUESTED THAT HALF OF ABOVE PURCHASE (12,500 MT) ARRIVE IN CAMBODIA BEFORE AUGUST 15 (PHNOM PENH 7800). HOWEVER, BECAUSE OF THE INTERNAL THAI RICE CRISIS THE THAI REFUSED TO COMMIT THEMSELVES TO A SPECIFIC DELIVERY SCHEDULE (BANGKOK 12017).

5. EMBASSY REPORTED SHIPMENT OF RICE IN THAI VESSELS TO BE A CONDITION OF SALE IN BANGKOK 12113. HOWEVER, LATER CONTACT WITH THE NOW DEPOSED COL. NARONG AND FORMER DEP MIN OSOT KOSIN OF COMMERCE MINISTRY YIELDED SEVERAL CONTRADICTORY STATEMENTS ON THIS POINT (BANGKOK 13876). ECON/CML COUNSELOR'S FIRST CALL ON NARONG (BANGKOK 13597) REVEALED THE DEPTH OF BUREAUCRATIC RIVALRY BETWEEN BIFGO AND COMMERCE. DESPITE NARONG'S "FIRM COMMITMENTS TO KEEP CAMBODIA SUPPLIED WITH RICE" HE FAILED TO DELIVER, BUT CONTACT WAS REESTABLISHED BETWEEN HIS OFFICE AND MINISTRY OF COMMERCE. ON 30 AUG 73 RTG DEPUTY MINISTER OF FOREIGN AFFAIRS CHARTCHAI TOLD AMBASSADOR THAT THAI WILLING TO SEND RICE TO CAMBODIA BUT IN SMALL TRANCHES SO AS TO AVOID IT BEING CAPTURED BY COMMUNISTS IF PHNOM PENH FELL. THIS ATTITUDE ALSO DELAYED RICE SHIPMENTS TO CAMBODIA.

6. ON SEPT 5 ECON/CML COUNSELOR AGAIN CALLED ON NARONG (BANGKOK 13876). COMMITMENTS IN PRINCIPLE WERE MADE BUT COMMERCE DEPT LATER REFUSED TO IMPLEMENT THEM ON THE GROUNDS OF VAGUENESS IN NARONG'S INSPECTION S.

7. BY THIS TIME DELAYS HAD CAUSED PHNOM PENH TO PROPOSE U.S. PURCHASE MISSION TO THAILAND AND EMBASSY TO COUNTER PROPOSE THAT USAI CONFIDENTIAL

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LAOS OPERATIONS, WHICH HAD BEEN EXPORTING RICE FOR YEARS, BE AUTHORIZED TO PURCHASE RICE. WASHINGTON DECIDED BOTH OF THESE SUGGESTIONS SHOULD AWAIT RESULTS LONG BORET'S RICE PURCHASE MISSION TO BANGKOK (PHNOM PENH 9244, SECSTATE 176339). BY SEPT 12 EMBASSY PHNOM PENH WAS ABLE TO REPORT SUCCESS BORET'S MISSION (PHNOM PENH 9686).

8. ALTHOUGH SONEXIM'S LY KIM HENG SIGNED PURCHASE CONTRACT QUICKLY ENOUGH (BANGKOK 14435), SHIPPING DIFFICULTIES APPEARED IMMEDIATELY (BANGKOK 14449) AND LETTER OF CREDIT COMPLICATIONS CAUSED FURTHER DELAYS IN SHIPMENT (PHNOM PENH 10068). ECON/CML COUNSELOR PERSONALLY CALLED IN THAI MARITIME OFFICIAL, FOLLOWED BY TELEPHONE INQUIRIES, AND LETTERS WERE SENT NARONG AND OSOT (BANGKOK 15253), ALL TO NO AVAIL. EMBASSY REPORTED SLIPPAGE IN SHIPPING SCHEDULE (BANGKOK 15253, BANGKOK 15487) AND FURTHER DELAYS CAUSED BY TYPHOON (BANGKOK 15841).

9. ON OCT 18 FIRST SHIP CARRYING THAI RICE FROM 12,500 MT TRANCHE LEFT FOR PHNOM PENH (BANGKOK 16315). DESPITE MASS DEMONSTRATIONS AND A GOVERNMENT OVERTHROW IN THAILAND, THIS SHIPMENT WAS ONLY DELAYED

ONE DAY AND THEN BY A BROKEN STEAMPIPE.
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